

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 10 percent in April

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Editor's Note: Preliminary April and revised March labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate fell from 10.2 percent in March 2011 to 10 percent in April 2011, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary April 2011 jobless rate dropped .6 percentage point below the 10.6 percent rate recorded in April 2010 for the state. The 10 percent rate recorded in April 2011 is the lowest rate since February 2009 when it was 9.8 percent.

"Kentucky's economy continued to show signs of improvement in April 2011 led by strength in the manufacturing sector. Nonfarm employment grew for the fourth month in a row, and the unemployment rate dropped to 10 percent, its lowest level since February 2009," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate increased from 8.8 percent in March 2011 to 9 percent in April 2011, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Eight of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment

increase in April 2011, while three decreased, according to OET. An increase of 3,800 jobs in April 2011 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,793,600. Kentucky's nonfarm employment has grown by 24,700 workers since April 2010.

According to the seasonally adjusted employment data, Kentucky's manufacturing sector surged by 2,500 jobs in April 2011. Since April 2010, employment in the manufacturing sector has climbed by 5,700 positions.

"The number of industrial workers has increased 10 times in the past 14 months. Job gains are concentrated in the non-durable goods subsector, which is indicative of the opening of a textile manufacturer," Detzel said.

The professional and business services sector expanded by 1,100 positions in April 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last April, jobs in the sector have mushroomed by 7,300.

"The job gains are clustered at administrative and support enterprises, which is a sign of the openings of a janitorial service and a support-services center," Detzel said.

The educational and health services sector reported 1,100 more workers in April 2011. The sector has surged by 4,400 workers since April 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations; and civic and professional organizations, rose by 1,100 positions in April 2011. This sector had 3,200 more positions in April 2011 than April 2010.

Employment in the mining and logging sector increased by 300 in April 2011. The sector has gained 1,400 jobs since April 2010.

The financial activities sector added 300 jobs in April 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 1,000 fewer positions than in April 2010.

The state's trade, transportation and utilities sector grew by 200 jobs in April 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 360,600 employees. Since April 2010, the number of jobs in this sector has increased by 300.

The information sector rose by 100 workers from March 2011 to April 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 200 positions since April 2010.

The government sector, which includes public education, public administration agencies and state-owned hospitals, lost 1,600 jobs in April 2011. The sector has 100 fewer jobs than in April 2010.

"This represents the second time in the last four months public employment has decreased. The job losses are concentrated in the state government subsector," Detzel said.

Construction sector jobs fell by 900 in April 2011. Since April 2010, employment in the construction sector has plummeted by 5,000 jobs.

"The year-over-year decrease in the construction sector reflects debility in specialty trade contractors and weakness in the residential construction industry," said Detzel.

Kentucky's leisure and hospitality sector dropped by 400 jobs in April 2011. Since April 2010, the sector has surged by 8,700 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

"The employment losses from March 2011 to April 2011 are attributed to accommodations and food services enterprises. Faced

with rising food and gas prices, consumers are splurging less on restaurant meals and travel,” said Detzel.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for April 2011 was 1,906,797 on a seasonally adjusted basis. This figure is up 10,766 from the 1,896,031 employed in March 2011, and up 43,373 from the 1,863,424 employed in April 2010.

The monthly estimate of the number of unemployed Kentuckians for April 2011 was 211,622, down 2,683 from the 214,305 Kentuckians unemployed in March 2011, and down 9,055 from the 220,677 unemployed in April 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for April 2011 was 2,118,419. This figure is up 8,083 from the 2,110,336 recorded in March 2011, and up 34,318 from the 2,084,101 recorded in April 2010.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.